

Interreg Baltic Sea Region Simplified cost options

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Challenges

1. Convince ourselves

- No experience, little know-how

2. Implementation

- Preparation of adequate methodology

3. Audit and control

- ???



Application of SCO

1. Flat rate

- 15% of the staff cos for office and administration (regular projects)

2. Lump sum

- Preparation costs (regular projects)
- Entire project costs (Seed Money projects)

3. Standard scale of unit costs

- Budget line 7 (regular projects)

Application of SCO

1. Preparation costs (lump sum)

- Certified preparation cost of projects in the Baltic Sea Region Programme 2007-2013
- Average amount per project
- 75% co-financing rate

Application of SCO

2. Seed Money projects (lump sum)

- Average value of the previously certified Seed Money projects, balanced with projected inflation for 2014-2018
- Three outputs
- Share of the total working time

Application of SCO

3. Budget line 7 (standard scale of unit cost)

- On the request of the Lead partner (application phase only)
- Historical data from at least three past approved accounting years
- Verified by MA/JS during contracting phase

Application of SCO – BL7

Category of costs	Annual costs (national currency)					
	Year	2013	Year	2014	Year	2015
<i>Crew</i>		200,000.00		180,000.00		250,000.00
<i>Energy</i>		85,000.00		75,000.00		95,000.00
<i>Depreciation</i>		10,000.00		10,000.00		10,000.00
<i>Fuel</i>		10,000.00		10,000.00		10,000.00
<i>Maintenance</i>		50,000.00		40,000.00		60,000.00

Total

355,000.00

315,000.00

425,000.00

Number of units per annum

50

45

65

Cost per unit:

7100.00

7000.00

6538.46

Exchange rate

1 EUR =

4,1458

Currency

PLN

Average cost per unit (EUR):

1659.39

Staff cost

1. Adopted

- Full time
- Part time (fixed percentage)
- 1720 method

2. Skipped

- Flat rate (20% of the other direct cost)

Staff cost

1. Simplification

- Full time
- Part time (fixed percentage)
- 1720 method

2. Problems

- Contracted hourly rate
- Monthly hourly rate
- 1720 method
- Fixed percentage

Staff cost - problems

1. Contracted hourly rate

- How to calculate a gross employment cost

2. Monthly hourly rate

- Where to find a monthly working time

3. 1720 method

- How to understand the latest annual gross employment costs

4. Fixed percentage

- Documentation

Staff cost - solutions

1. Contracted hourly rate

- Employer contribution may be calculated and added

2. Monthly hourly rate

- Additional document as an attachment to the employment contract
- Reference to the national law

Staff cost - solutions

3. 1720 method

- 12 consecutive months/calendar year/accounting year before the person started to work for the project
- It can be updated after each reporting period

4. Fixed percentage

- Fixed percentage should be agreed before the person started to work for the project
- Agreement should be documented and reflected in the employment document

Expectation for the future

1. Evolution not revolution
2. One clear „the real cost” staff calculation method
3. Smooth implementation of the new programming period

Thank you!

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